



1962

Annual Report

NATIONAL BISCUIT COMPANY

65th

ANNUAL REPORT

for the year ended December 31, 1962

FINANCIAL HIGHLIGHTS

	1962	1961
Net sales	\$526,500,000	\$486,300,000
Income from operations	63,800,000	57,300,000
 Net income	 *30,400,000	28,400,000
Dividends declared on preferred stock . .	400,000	1,700,000
Net income applicable to common stock .	30,000,000	26,700,000
 Net income per dollar of sales	 5.8 cents	5.8 cents
Net income per share common stock . .	2.22	1.98
Dividends declared per share		
common stock	1.50	1.40
 Earnings retained in the business	 9,800,000	7,800,000
Cost of plant and equipment additions . .	22,600,000	16,800,000
Current assets	130,100,000	129,600,000
Current liabilities	59,900,000	52,400,000
Working capital	70,200,000	77,200,000

** After debenture interest net of taxes \$600,000*



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NOTICE TO SHAREHOLDERS

The annual meeting of shareholders will be held at 2 P.M., April 10, 1963, in the Windsor Ballroom of the Commodore Hotel, 42nd Street and Lexington Avenue, New York, N. Y. Shareholders who cannot attend the meeting are urged to exercise their right to vote by proxy. A proxy form, proxy statement and return envelope will be sent to shareholders on March 5, 1963.



*President
Lee S. Bickmore*

THE PRESIDENT'S LETTER

To the Shareholders:

There were many highlights for NABISCO in 1962. For the first time in the history of the Company net sales exceeded \$500 million. Our net income for 1962 was at an all-time high. These record sales and earnings reflect the strategy employed of doing everything possible to maintain and improve our position in the marketplace by offering better values to the consuming public.

During 1962 we acquired two fine biscuit firms: Griffin and Sons, Limited in New Zealand and Frears Limited in England. Both of these companies make a quality line of products—they are excellent additions to our family of companies.

Another major event in 1962 was the retirement of the preferred stock and a split of the common stock. This was accomplished in the best interest of holders of both the preferred and common stock.

In December of 1962 the first oven in the new Chicago Bakery started producing crackers. The other four ovens will be placed in production rapidly and this increase in capacity will be most beneficial in 1963 and subsequent years.

Highlights of long-range importance in 1962 were several important



*Executive Vice President
George A. Mitchell*

organizational changes. Mr. George A. Mitchell, formerly Senior Vice President, was elected Executive Vice President and a member of the Executive Committee of the Board of Directors.

Messrs. Nile E. Cave, C. Eugene Lair, Edward A. Otocka and Charles S. Webster, all Vice Presidents, were elected Senior Vice Presidents.

Messrs. Joseph H. Burgess, Jr., Val B. Diehl, Frank J. Gurgone, Robert M. Schaeberle and Harry F. Schroeter were elected Vice Presidents. Mr. Warren J. Robertson was elected Controller.

All of these men have had years of valuable experience which will be most useful as NABISCO expands and enlarges throughout the world.

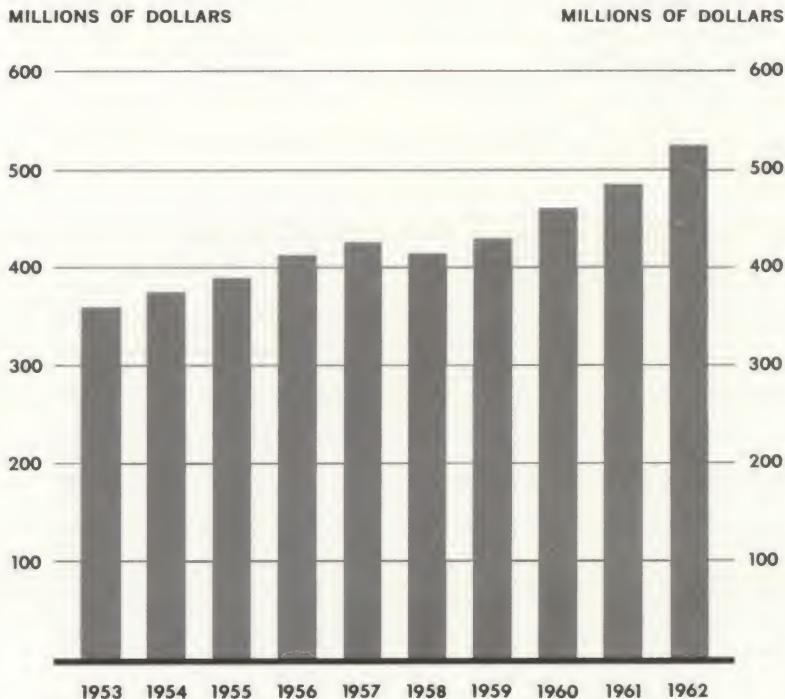
In our opinion 1963 will be a good year. We are so budgeting our sales and earnings.

My sincerest thanks to our directors, employees, shareholders, customers and suppliers for their support in 1962.


Lee S. Bickmore
President

March 4, 1963

Net Sales



Sales

NABISCO's net sales for 1962 totaled \$526.5 million and were the highest in the Company's history. The record figure was 8.3 per cent above the 1961 total of \$486.3 million and it was the first time that our sales have topped the half-billion dollar mark. The dollar volume also represented the greatest tonnage of goods produced by NABISCO in a single year.

The domestic divisions generally improved their positions. These increases in most of the Company's product lines at home were accompanied by encouraging gains on the part of our subsidiaries in other countries.

The 1962 sales volume was aided appreciably by the introduction of a number of new and improved products which gained wide consumer acceptance. In addition, NABISCO continued to strengthen and improve its advertising, marketing and promotion programs which earned a favorable response from both the retail food trade and from the ultimate consumers of our products.

Another favorable factor in 1962 was the volume achieved by the Company's Survival Ration Crackers. Developed for storage as an emergency food supply, the product had sales of approximately \$6 million last year, mostly to the federal government.

NABISCO's sales were strong as the year closed and we look for steady sales improvement in 1963.

Net Sales by Quarters

(Millions of Dollars)

<i>Quarter Ended</i>	<i>1962</i>	<i>1961</i>	<i>1960</i>
March 31	\$128.2	\$118.1	\$115.1
June 30	124.7	120.3	113.2
September 30	130.4	119.1	113.1
December 31	143.2	128.8	122.2
Total	<hr/> \$526.5	<hr/> \$486.3	<hr/> \$463.6

Net Income

Substantially improved earnings accompanied NABISCO's sales increases in 1962 and the Company's net income for the year was a record \$30.4 million.

Retirement of the Company's preferred stock on April 12, 1962 (see page 6) resulted in debenture interest charges of approximately \$1.2 million which, after taxes, reduced net income in 1962 by approximately \$0.6 million. Reduction in preferred dividends for the year amounted to approximately \$1.3 million. Thus, the amount of net income applicable to common stock equaled \$30.0 million in 1962, a gain of 12.4 per cent over \$26.7 million in 1961.

On a per share basis, net income for 1962 was equal to \$2.22 per share of common stock, as compared with \$1.98 in 1961. These figures have been adjusted to reflect the two-for-one split of the common shares voted by the shareholders on April 11, 1962.

The improvement in profits can be attributed in large part to the higher sales volume, to the contribution made by a number of new products successfully introduced during the year, and to the cumulative effects of improvements and economies made in our operating methods.

Miscellaneous non-recurring items reflected a net expense of five cents per common share in 1962. This expense contrasts with non-recurring net income of four cents per share in the previous year.

Shareholders and Dividends

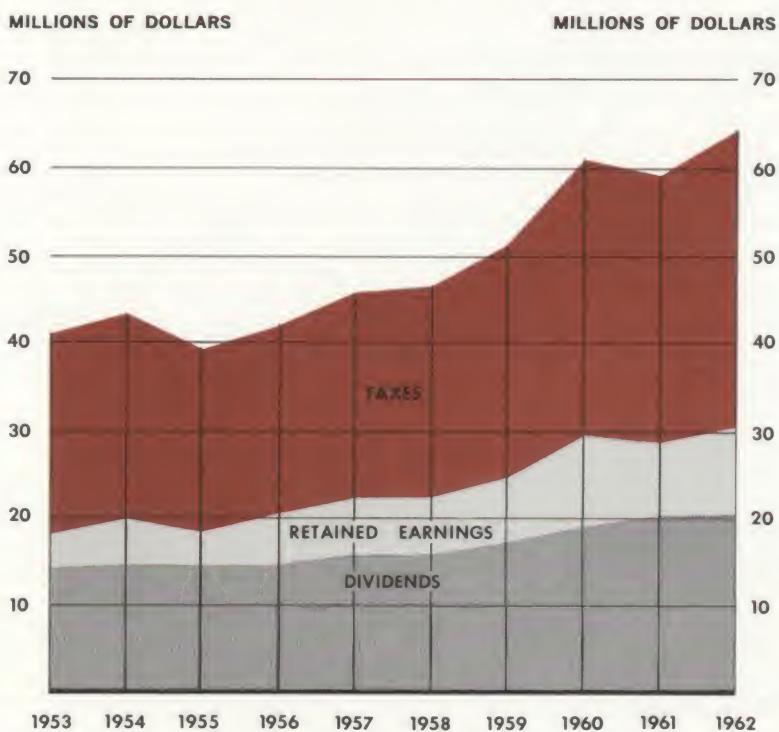
In April 1962, the preferred and common shareholders, voting by separate classes, approved changes in the Certificate of Incorporation of the Company to (1) retire the preferred stock and (2) split the common stock on a two-for-one basis.

Accordingly, during the year \$7.1 million was paid in cash and \$36.5 million of 4 $\frac{3}{4}$ % subordinated debentures due April 1, 1987 were issued in exchange for surrendered shares of preferred stock. The number of shares of common stock authorized was increased from 12 to 24 million and the number of shares issued and outstanding was doubled from 6,745,961 to 13,491,922.

A final dividend of \$1.75 per share, or \$434,079 in total, was paid to the preferred shareholders on February 28, 1962. While no further preferred dividends were paid, a payment of 80 cents per share in lieu of a dividend was made, as the shares were surrendered, to cover the period from February 28th to the April 12th retirement date.

Dividends paid on the common stock during the year amounted to

Distribution of Income Before Taxes



\$1.47½ per share as compared with \$1.40 paid in 1961 (after adjustment for the two-for-one stock split). Dividends declared were \$1.50 per share compared to \$1.40 the previous year.

At the close of the year, 81,408 persons owned shares of National Biscuit Company stock. Shareholder equity per share of common stock amounted to \$13.83, or a total of \$186.6 million.

Working Capital

At December 31, 1962 working capital amounted to \$70.2 million, \$7.0 million less than at the close of 1961. Quick assets, consisting of cash and marketable securities, were reduced from \$51.1 million at the end of 1961 to \$42.8 million at the 1962 year-end. The reduction in working capital was due principally to disbursements for the retirement of preferred stock and for plant and equipment additions.

The source and disposition of funds for the last three years is shown in the following tabulation:

Changes in Consolidated Working Capital			
	(Millions of Dollars)		
	<u>1962</u>	<u>1961</u>	<u>1960</u>
Funds Provided by			
Net income	\$30.4	\$28.4	\$29.3
Depreciation (reduces net income, but does not represent cash outlay) . . .	13.4	12.4	12.0
Total funds provided	<u>43.8</u>	<u>40.8</u>	<u>41.3</u>
Funds Applied to			
Dividends declared	20.7	20.6	18.9
Additions to plant and equipment	22.6	16.8	11.5
Retirement of preferred stock	7.1	—	—
Other items (net)	0.4	2.0	6.2
Total funds applied.	<u>50.8</u>	<u>39.4</u>	<u>36.6</u>
Increase (decrease) in working capital .	<u>\$(7.0)</u>	<u>\$ 1.4</u>	<u>\$ 4.7</u>
Consisting of changes in			
Cash and marketable securities	\$(8.3)	\$(3.7)	\$ 5.4
Accounts receivable	4.0	1.6	1.6
Inventories	4.9	2.0	4.3
Current liabilities	(7.6)	1.5	(6.6)
	<u><u>\$(7.0)</u></u>	<u><u>\$ 1.4</u></u>	<u><u>\$ 4.7</u></u>

Capital Expenditures

Funds spent for plant and equipment improvements and additions amounted to \$22.6 million in 1962 as compared to \$16.8 million in 1961.

The 1962 expenditures covered a wide range of projects aimed at maintaining NABISCO's total plant completely up to date and providing for future production requirements. Completion of the new Chicago biscuit and cracker bakery was the most sizable item during the year. The new bakery's first oven began production in December and four more ovens will be in operation by mid-1963.

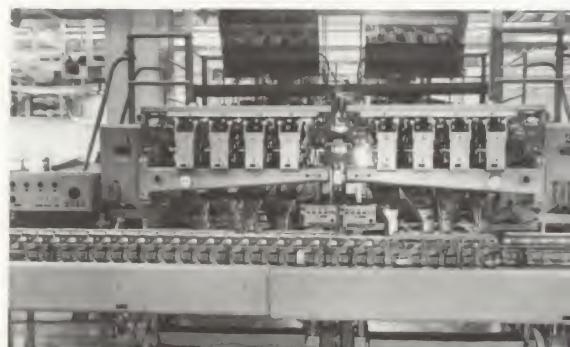
A number of other major capital projects were completed or initiated in 1962, many of them in NABISCO subsidiary companies abroad. New ovens were added at the Philadelphia Bakery, at Christie, Brown and Company, Limited in Canada, at Nabisco Foods, Limited in England, and at Nabisco-La Favorita, C.A., in Venezuela. A six-color printing press went into operation at our printing and carton plant at Beacon, New York. Air-conditioning facilities were installed at the Philadelphia and Fair Lawn bakeries.

Capital spending will total approximately \$19 million in 1963 and will include new production equipment in our biscuit and cereal plants in this country and in bakeries in Canada, England and France.

Research

Research programs and expenditures increased during 1962 as consumer preferences and competitive pressures continued to underline the importance of new product development and the necessity of steadily working to improve our products and their packaging. NABISCO's Fair Lawn Research Center has experienced a steady increase in its staff in recent years as the areas undergoing investigation rapidly expanded.

Popular RITZ CRACKERS pour from the first oven to begin production at the new Chicago Bakery. At right, high-speed equipment fills and weighs cartons.



One area under study in recent years has been the new technique of the continuous mixing of doughs. This has involved fundamental examination of various ingredients and their successful blending. This work has led to the installation of several continuous production lines with substantial gains in efficiency and product quality.

Another current project is the investigation of many types of shortening. Basic research is being done to improve our knowledge of the characteristics of these materials. From this knowledge the study will be directed toward improving the quality and nutritional values of NABISCO products.

An expanding research program calls for larger research budgets. Research and development expenditures, currently about \$3.5 million annually, are expected to increase in 1963.

New Products

The Company introduced a number of new products in 1962, the results of a steadily growing new product research and development program. Additional items, in various stages of development or testing, will reach the market in 1963 or in subsequent years.

The major items successfully launched in this country during the past year include the following:

SWISS N' HAM FLAVORED CRACKERS—delightful snack crackers combining the flavor and taste of Swiss cheese and ham.

CHIPITS—chocolate chip cookies with pecans—a quality chocolate chip product with the extra flavor of rich pecans and a home-baked texture.

MINARETS CAKES—small, coated marshmallow cookies.

CHOCOLATE FUDGE SANDWICH—a bite-size sandwich cookie with a creamy chocolate fudge filling.

PEANUT KLUSTER COOKIES—peanut-filled base cakes covered with a tasty coating.

SOCIABLES SAVORY CRACKERS—party snack crackers with a nut-like flavor presented in six distinctive shapes.

GRAHAM CRACKER CRUMBS—a quality product for use in numerous pie and cake recipes.

MILK-BONE BRAND FLAVOR SNACKS—small, bone-shaped dog biscuits, each package containing six different varieties of colored biscuits.

NABISCO's Bread Division expanded its line of specialty breads with a number of new items, among them onion and dill flavored loaves, all marketed under the **MILLBROOK BREAD** label.

In addition, a great many of our established varieties were improved by basic formula or baking changes. Larger numbers of our familiar products were marketed in new, redesigned packages which emphasize consumer convenience and utility. Packaging study and improvement is a never-ending activity as the type and quality of the container play a major role in the consumer's decision to buy.

Acquisitions

NABISCO extended both the volume and scope of its international activities during 1962 with the acquisition of two prominent biscuit baking firms abroad. The firms, located in New Zealand and England, are important producers in their areas and greatly improve NABISCO's position in these overseas markets.

Griffin and Sons, Limited, New Zealand biscuit and confectionery manufacturer, was acquired on June 14. The leading biscuit and cracker firm in New Zealand, Griffin operates two biscuit bakeries and a confectionery plant. Its products enjoy wide distribution throughout the country and are exported to Australia and the island communities in the area.

The English firm, Frears Limited, was acquired on December 1. A well-known biscuit company in that country, Frears has its headquarters and main plant in Leicester, with two additional producing units located nearby. The company makes an extensive line of assorted cookie products, attractively packaged, which are distributed principally in the United Kingdom.

International Operations

The year 1962 was a significant one with regard to NABISCO's activities outside the United States. In addition to the acquisition of companies in New Zealand and England, there were a number of important developments as the Company sought to expand its interests in other countries.

Sales by NABISCO subsidiaries abroad were higher than in any previous year. Earnings in some instances were below normal because of the necessarily heavy expense of new product introductions. Plant and equipment expenditures have been made by many of our subsidiaries to provide for the growth of product lines and improvement of manufacturing facilities essential to their successful operation.

In Canada a large addition to our major cereal plant was completed in mid-year which has increased production capacity. A new oven and

packaging equipment were installed at the Toronto biscuit and cracker bakery of Christie, Brown and Company, Limited, and this plant introduced a number of new snack cracker items during the year. Canadian sales were at an all-time peak in 1962. During the year the Canadian dollar was devalued to a pegged rate of 92½ cents (U.S.) with a consequent adverse effect on consolidated operating results.

RITZ CRACKERS, which were successfully introduced in England in 1961, were produced in France for the first time during the past year. Production of a line of our popular snack crackers was also begun in England and France in 1962. Similar snack items have also made their debut in Mexico and Venezuela. In the latter country, the installation of a new oven has increased plant capacity.

Major equipment installations were also completed in Mexico and Australia. In Mexico, the introduction of additional cake mixes and new marshmallow cookies has been well received. The line of cereal products made by our Australian subsidiary has been increased with the addition of our NABISCO 100% BRAN which should be a popular supplement.

The extension and improvement of distribution facilities were accomplished in Mexico and Puerto Rico during the past year. These improvements have enabled our subsidiaries in those countries to provide better and more frequent service to important market areas.

NABISCO's export operations were extended during the year. Supplementing United States shipments, several subsidiary companies abroad made their products available to other countries.

Personnel

The need to attract and train qualified people increases in importance as the Company grows and extends its sphere of operations. NABISCO conducts a continuing program of training and development seminars for managerial personnel. A management development program in the General Office has included virtually every member of the present corporate management group. Some 1,200 sales executives have completed special development courses in recent years. During the same time 500 plant supervisory personnel have taken other courses in preparation for future assignments of increased responsibility.

To supplement the Company's internal programs, NABISCO has adopted an educational assistance program for eligible employees. The program offers financial aid to those employees who wish to increase their knowledge and skills by taking formal courses of study outside working hours.

Also in 1962, NABISCO established George H. Coppers Merit Scholarships to be awarded annually to high school seniors whose parents are Company employees and who qualify as finalists in the National Merit Scholarship competition. The amount of the award is determined by need up to a maximum of \$1,500 per year.

At the end of the year NABISCO and its consolidated subsidiaries had a total of 28,758 employees. Salaries, wages and employee benefits totaled \$169.2 million in 1962, compared with \$157.6 million in 1961. The increase is due in part to the additional employees of companies acquired during the year. Pension costs amounted to \$6.0 million in 1962.

At the close of the year, 6,105 employees, 30 per cent of those eligible, were participating in the Employee Stock Purchase Plan adopted in 1961.

Organizational Changes

Nile E. Cave, Vice President of the Biscuit Division, was elected to the Board of Directors on February 26, 1962.

Warren J. Robertson was elected Controller of the Company on March 26, 1962.

George A. Mitchell, Senior Vice President and a member of the Board of Directors, was elected Executive Vice President and a member of the Board's Executive Committee on May 28, 1962.

Frank J. Gurgone was elected Vice President for Corporate Development and Budgeting on May 28, 1962.

Joseph H. Burgess, Jr., was elected Vice President for Personnel Relations on September 1, 1962.

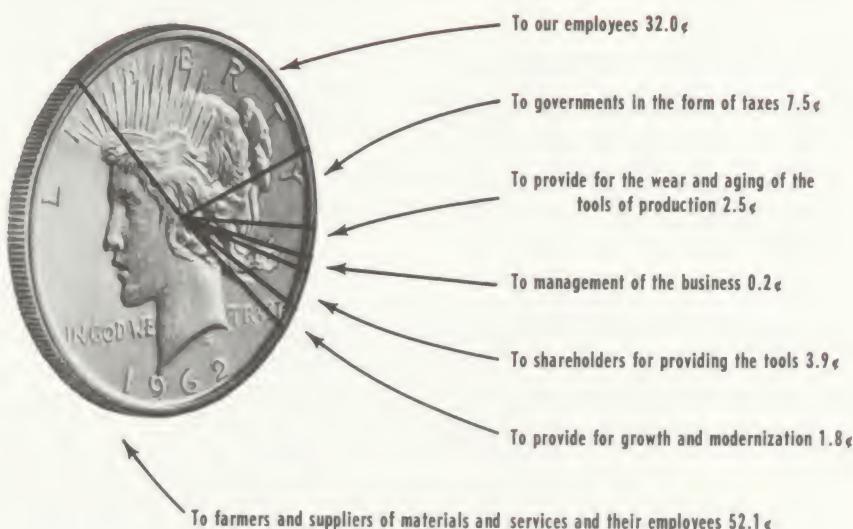
Nile E. Cave, Vice President of the Biscuit Division; C. Eugene Lair, Vice President for Purchasing; Edward A. Otocka, Vice President for Operational Services and Research; and Charles S. Webster, Vice President for Finance, were elected Senior Vice Presidents on September 24, 1962.

Also on September 24, Val B. Diehl was elected Assistant to the President and Vice President for International Operations; Robert M. Schaeberle was elected Assistant to the President and Vice President at Large; and Harry F. Schroeter was elected Vice President for General Advertising and Marketing.

Russell M. Shultz, Senior Vice President and a member of the Board of Directors, retired after 36 years of service. Harry T. Eggert, Vice President for Personnel Relations, retired after 46 years of service.

NATIONAL BISCUIT COMPANY AND CONSOLIDATED SUBSIDIARIES

Each Nabisco Sales Dollar Produced Income:



Summary of Operations - 1962

We received from sale of our products \$526,514,512

We expended for

Raw materials, supplies and services bought from others	274,316,268
Employees' services (wages, pensions, social security taxes, etc.) . . .	168,156,747
Direct taxes, except social security taxes	39,344,167
Estimated wear and tear on plant and equipment	13,378,938
Officers' salaries for management of the business	<u>1,056,575</u>

Leaving profits* which were

Distributed as dividends to the shareholders	\$ 20,668,136
Retained in the business for expansion and modernization	<u>9,593,681</u>

* National Biscuit Company also received interest and miscellaneous income of \$1,500,672 arising from activities not related to the manufacture or sale of its products, and incurred interest expense on subordinated debentures of \$1,247,279. These items, after taxes, added \$177,645 to net income.

NATIONAL BISCUIT COMPANY AND CONSOLIDATED SUBSIDIARIES

Financial Position

	December 31, 1962	December 31, 1961
Current assets		
Cash	\$ 23,708,845	\$ 14,550,100
Marketable securities (approximately market) . . .	19,064,127	36,592,410
Accounts receivable	22,446,401	18,390,164
Inventories	64,922,251	60,036,278
Total current assets	130,141,624	129,568,952
Less current liabilities		
Accounts payable and accrued expenses	32,406,688	25,586,102
Common dividend payable	5,058,512	4,721,445
Federal and foreign taxes on income	22,470,470	22,073,943
Total current liabilities	59,935,670	52,381,490
Working Capital	70,205,954	77,187,462
Investment in and advances to foreign subsidiaries, not consolidated	4,837,814	5,230,325
Mortgages receivable	5,201,290	5,391,966
Other assets	11,806,835	7,305,732
Plants, real estate, machinery and equipment	134,044,564	125,340,623
Total assets less current liabilities	226,096,457	220,456,108
Deduct		
4 3/4 % subordinated debentures, due April 1, 1987 . .	36,497,300	—
Deferred federal and foreign taxes on income	2,978,034	—
Excess of assets over liabilities	\$186,621,123	\$220,456,108
Represented by		
Capital stock, preferred	—	\$ 24,804,500
Capital stock, common	\$ 67,459,610	67,459,610
Par value \$5—shares authorized 24,000,000, issued 13,491,922		
Additional paid-in capital	1,434,740	1,434,740
Retained earnings	117,726,773	126,757,258
	\$186,621,123	\$220,456,108

(Financial statements should be read in conjunction with notes appearing on pages 16 and 17.)

NATIONAL BISCUIT COMPANY AND CONSOLIDATED SUBSIDIARIES

Income and Retained Earnings

	<u>1962</u>	<u>1961</u>
Net sales	<u>\$526,514,512</u>	<u>\$486,340,039</u>
Cost of sales	313,353,796	288,638,510
Selling, general and administrative expenses	124,501,298	117,490,262
Depreciation	13,378,938	12,424,628
Taxes (other than federal and foreign taxes on income)	11,507,218	10,460,438
Interest and miscellaneous income (net)	1,500,672	1,939,009
Interest on subordinated debentures	1,247,279	—
Federal and foreign taxes on income	33,587,193	<u>30,840,777</u>
Total	<u>496,075,050</u>	<u>457,915,606</u>
Net income	<u>30,439,462</u>	<u>28,424,433</u>
Preferred dividends declared	<u>434,079</u>	<u>1,736,315</u>
Net income applicable to common stock	<u>30,005,383</u>	<u>26,688,118</u>
Common dividends declared, \$1.50 per share in 1962, \$1.40 per share in 1961	20,234,057	18,381,782
Dividends declared by The Cream of Wheat Corporation, prior to pooling of interests	—	480,000
	<u>20,234,057</u>	<u>18,861,782</u>
Earnings retained in the business	9,771,326	7,826,336
Retained earnings January 1	126,757,258	118,930,922
Less excess of redemption price over par value of preferred stock retired in 1962	18,801,811	—
Retained earnings December 31	<u>\$117,726,773</u>	<u>\$126,757,258</u>

(Financial statements should be read in conjunction with notes appearing on pages 16 and 17.)

NATIONAL BISCUIT COMPANY AND CONSOLIDATED SUBSIDIARIES

Notes to Financial Statements

INVENTORIES are generally stated at average cost or market, whichever is lower, and comprise

	<u>1962</u>	<u>1961</u>
Raw materials and supplies	\$ 42,994,855	\$ 39,611,856
Finished product	<u>21,927,396</u>	<u>20,424,422</u>
	<u>\$ 64,922,251</u>	<u>\$ 60,036,278</u>

OTHER ASSETS for 1962 include \$9,784,335 of unamortized excess of cost of investment over book amount of net assets of consolidated foreign subsidiaries acquired since 1958; and \$2,022,500 of prepaid expenses and deferred charges.

PLANTS, REAL ESTATE, MACHINERY and EQUIPMENT are stated at cost and comprise

	<u>1962</u>	<u>1961</u>
Buildings	\$ 86,349,684	\$ 83,262,071
Machinery and Equipment	<u>163,597,825</u>	<u>146,484,838</u>
	249,947,509	229,746,909
Less allowances for depreciation	<u>120,513,044</u>	<u>108,674,638</u>
	129,434,465	121,072,271
Land	<u>4,610,099</u>	<u>4,268,352</u>
	<u>\$134,044,564</u>	<u>\$125,340,623</u>

CONSOLIDATED FOREIGN SUBSIDIARIES are included in the financial statements for 1962 at the following U. S. dollar amounts (translated at appropriate rates of exchange): working capital, \$6,981,123; net plant assets, \$26,606,396; and net income, \$2,486,507.

PREFERRED STOCK RETIREMENT, the issuance of subordinated debentures in connection therewith and the split of the common stock authorized by the shareholders in April 1962 are explained in detail on page 6 of this report.

INVESTMENT CREDIT—The Company has elected to account for the investment credit provided by the Revenue Act of 1962 over the expected productive lives of the related assets and has accordingly applied the credit to reduce the cost basis of the qualifying assets.

NATIONAL BISCUIT COMPANY AND CONSOLIDATED SUBSIDIARIES

GUIDELINES DEPRECIATION—During 1962, the Company elected to adopt for tax return purposes the new guideline lives established by the Internal Revenue Service for the depreciation of machinery and equipment. However, it is continuing to depreciate these assets for accounting purposes over the longer lives in use for many years. The reduction in federal taxes on income resulting from this difference between book and tax depreciation has been excluded from the determination of net income and is reflected in deferred tax liabilities in the statement of financial position. Similar treatment has been accorded tax deferrals resulting from accelerated depreciation and investment credits applicable to certain consolidated foreign subsidiaries.

Report of Auditors

TO THE SHAREHOLDERS OF NATIONAL BISCUIT COMPANY:

We have examined the statements of financial position of National Biscuit Company and consolidated subsidiaries as of December 31, 1962 and 1961, and the related statements of income and retained earnings for the years then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying statements of financial position and income and retained earnings present fairly the financial position of National Biscuit Company and consolidated subsidiaries at December 31, 1962 and 1961, and the results of their operations for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

LYBRAND, ROSS BROS. & MONTGOMERY

New York, February 4, 1963

NATIONAL BISCUIT COMPANY AND CONSOLIDATED SUBSIDIARIES

Ten Year Financial Review

Dollars in Millions (except per share figures)

	1962	1961
Net sales	\$526.5	\$486.3
Earnings before income taxes	64.0	59.2
Federal and foreign taxes on income	33.6	30.8
Net income	30.4	28.4
Earnings retained in the business	9.8	7.8
Net income per common share*	2.22	1.98
Dividends declared		
Preferred stock4	1.7
Common stock	20.2	18.9
Per common share*	1.50	1.40
Current assets	130.1	129.6
Current liabilities	59.9	52.4
Working capital	70.2	77.2
Plant and equipment (net)	134.0	125.3
Plant and equipment expenditures	22.6	16.8
Cost of employees' services	168.2	156.8
Provision for all taxes (except social security)	39.4	36.1
Book value of common stock	186.6	195.7
Book value per common share*	13.83	14.50
Number of shareholders	81,408	83,174

* Figures prior to 1962 adjusted to reflect 2-for-1 common stock split in 1962.

Preferred stock retired in April, 1962.

1960	1959	1958	1957	1956	1955	1954	1953
\$463.6	\$429.0	\$413.3	\$424.5	\$410.5	\$389.6	\$376.4	\$359.0
60.8	51.2	46.4	45.7	41.9	39.2	43.2	40.8
31.5	26.7	24.3	23.6	21.6	20.9	23.3	22.7
29.3	24.5	22.1	22.1	20.3	18.3	19.9	18.1
10.4	7.5	6.3	6.3	5.8	3.8	5.5	3.8
2.04	1.78	1.59	1.59	1.45	1.30	1.42	1.30
1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
17.2	15.3	14.1	14.1	12.8	12.8	12.7	12.6
1.25	1.20	1.10	1.10	1.00	1.00	1.00	1.00
129.7	112.2	99.0	92.0	95.1	94.8	102.5	95.2
53.9	46.0	44.5	46.9	45.0	46.5	48.7	43.8
75.8	66.2	54.5	45.1	50.1	48.3	53.8	51.4
121.4	121.3	130.0	133.0	123.3	120.1	112.1	105.7
11.5	8.4	9.7	21.6	15.7	18.1	15.2	9.8
148.9	140.1	136.2	135.6	133.5	130.3	126.6	126.4
36.7	31.5	29.0	28.1	25.8	25.0	27.1	26.3
187.8	171.1	163.7	157.4	151.1	145.3	141.6	132.5
13.92	13.40	12.81	12.32	11.83	11.38	11.08	10.54
77,332	75,834	75,702	75,603	72,262	70,281	69,829	69,961



The modern, three band-oven bakery of Griffin and Sons, Limited, located a short distance from New Zealand's capital city of Wellington.



Frears Limited has its main bakery, above, at Woodgate, Leicester. Two other plants are located near the city of Leicester in England's midlands.

NATIONAL BISCUIT COMPANY

General Office, 425 Park Avenue, New York 22, N. Y.

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Transfer Agent: Morgan Guaranty Trust Company of New York
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55 Wall Street, New York 15, New York

Debenture Trustee: Bankers Trust Company
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